

AMENDED IN SENATE JULY 23, 2009  
AMENDED IN ASSEMBLY JUNE 1, 2009  
AMENDED IN ASSEMBLY MAY 5, 2009  
AMENDED IN ASSEMBLY APRIL 22, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1031**

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**Introduced by Assembly Member Blumenfield**

February 27, 2009

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An act to amend Section 2830 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1031, as amended, Blumenfield. Renewable energy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes a local government, as defined, to receive a bill credit, as defined, to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account. The existing definition of a local government excludes a joint powers authority, the state, and any agency or department of the state.

~~This bill would clarify the existing definition of a local government by including a community college district and would revise the definition of a local government to include an individual *community college* campus of the University of California *campus*, or the California State University and a joint powers authority or agency. The bill would~~

provide that a local government electing to take service pursuant to the rate tariff is eligible to receive ratepayer funded incentives pursuant to the California Solar Initiative, as defined, for facilities that are sized to meet the on-site load and the load of the designated benefiting account campus within the definition of a local government for purposes of the above provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2830 of the Public Utilities Code is  
2 amended to read:

3 2830. (a) As used in this section, the following terms have the  
4 following meanings:

5 (1) “Benefiting account” means an electricity account, or more  
6 than one account, located within the geographical boundaries of  
7 a local government, that is mutually agreed upon by the local  
8 government and an electrical corporation.

9 (2) “Bill credit” means an amount of money credited to a  
10 benefiting account that is calculated based upon the time-of-use  
11 electricity generation component of the electricity usage charge  
12 of the generating account, multiplied by the quantities of electricity  
13 generated by an eligible renewable generating facility that are  
14 exported to the grid during the corresponding time period.  
15 Electricity is exported to the grid if it is generated by an eligible  
16 renewable generating facility, is not utilized onsite by the local  
17 government, and the electricity flows through the meter site and  
18 on to the electrical corporation’s distribution or transmission  
19 infrastructure.

20 (3) “Eligible renewable generating facility” means a generation  
21 facility that has a generating capacity of no more than one  
22 megawatt, is an eligible renewable energy resource as defined in  
23 Section 399.12, is located within the geographical boundary of,  
24 and is owned, operated, or on property under the control of, the  
25 local government, and is sized to offset all or part of the electrical  
26 load of the benefiting account. *The geographic boundary of an  
27 individual community college campus, California State University  
28 campus, or University of California campus shall be the limits of  
29 the city in which each is located.* For these purposes, premises that

1 are leased by a local government are under the control of the local  
2 government.

3 (4) “Generating account” means the time-of-use electric service  
4 account of the local government where the eligible renewable  
5 generating facility is located.

6 (5) “Local government” means a city, county, whether general  
7 law or chartered, city and county, special district, school district,  
8 ~~community college district, political subdivision, or other local~~  
9 ~~public agency, a joint powers authority or agency created pursuant~~  
10 ~~to Chapter 5 (commencing with Section 6500) of Division 7 of~~  
11 ~~Title 1 of the Government Code, if authorized by law to generate~~  
12 ~~electricity, or an individual campus of the University of California~~  
13 ~~or the California State University, but shall not mean the state or~~  
14 *political subdivision, or an individual community college campus,*  
15 *California State University campus, or University of California*  
16 *campus, or other local public agency, but shall not mean the state*  
17 *or any agency or department of the state, other than a campus of*  
18 *the University of California or the California State University.*

19 (b) Subject to the limitation in subdivision (h), a local  
20 government may elect to receive electric service pursuant to this  
21 section, if all of the following conditions are met:

22 (1) The local government designates one or more benefiting  
23 accounts to receive a bill credit.

24 (2) A benefiting account receives service under a time-of-use  
25 rate schedule.

26 (3) The benefiting account is the responsibility of, and serves  
27 property that is owned, operated, or on property under the control  
28 of the same local government that owns, operates, or controls the  
29 eligible renewable generating facility.

30 (4) The electrical output of the eligible renewable generating  
31 facility is metered for time of use to allow calculation of the bill  
32 credit based upon when the electricity is exported to the grid.

33 (5) All costs associated with the metering requirements of  
34 paragraphs (2) and (4) are the responsibility of the local  
35 government.

36 (6) All costs associated with interconnection are the  
37 responsibility of the local government. For purposes of this  
38 paragraph, “interconnection” has the same meaning as defined in  
39 Section 2803, except that it applies to the interconnection of an

1 eligible renewable generating facility rather than the energy source  
2 of a private energy producer.

3 (7) The local government does not sell electricity exported to  
4 the electrical grid to a third party.

5 (8) All electricity exported to the grid by the local government  
6 that is generated by the eligible renewable generating facility  
7 becomes the property of the electrical corporation to which the  
8 facility is interconnected, but shall not be counted toward the  
9 electrical corporation's total retail sales for purposes of Article 16  
10 (commencing with Section 399.11) of Chapter 2.3 of Part 1.  
11 Ownership of the renewable energy credits, as defined in Section  
12 399.12, shall be the same as the ownership of the renewable energy  
13 credits associated with electricity that is net metered pursuant to  
14 Section 2827.

15 (c) (1) A benefiting account shall be billed for all electricity  
16 usage, and for each bill component, at the rate schedule applicable  
17 to the benefiting account, including any cost-responsibility  
18 surcharge or other cost recovery mechanism, as determined by the  
19 commission, to reimburse the Department of Water Resources for  
20 purchases of electricity, pursuant to Division 27 (commencing  
21 with Section 80000) of the Water Code.

22 (2) The bill shall then subtract the bill credit applicable to the  
23 benefiting account. The generation component credited to the  
24 benefiting account may not include the cost-responsibility  
25 surcharge or other cost recovery mechanism, as determined by the  
26 commission, to reimburse the Department of Water Resources for  
27 purchases of electricity, pursuant to Division 27 (commencing  
28 with Section 80000) of the Water Code. The electrical corporation  
29 shall ensure that the local government receives the full bill credit.

30 (3) If, during the billing cycle, the generation component of the  
31 electricity usage charges exceeds the bill credit, the benefiting  
32 account shall be billed for the difference.

33 (4) If, during the billing cycle, the bill credit applied pursuant  
34 to paragraph (2) exceeds the generation component of the electricity  
35 usage charges, the difference shall be carried forward as a financial  
36 credit to the next billing cycle.

37 (5) After the electricity usage charge pursuant to paragraph (1)  
38 and the credit pursuant to paragraph (2) are determined for the last  
39 billing cycle of a 12-month period, any remaining credit resulting  
40 from the application of this section shall be reset to zero.

1 (d) The commission shall ensure that the transfer of a bill credit  
2 to a benefiting account does not result in a shifting of costs to  
3 bundled service subscribers. The costs associated with the transfer  
4 of a bill credit shall include all billing-related expenses.

5 (e) Not more frequently than once per year, and upon providing  
6 the electrical corporation with a minimum of 60 days' notice, the  
7 local government may elect to change a benefiting account. Any  
8 credit resulting from the application of this section earned prior to  
9 the change in a benefiting account that has not been used as of the  
10 date of the change in the benefiting account, shall be applied, and  
11 may only be applied, to a benefiting account as changed.

12 (f) A local government shall provide the electrical corporation  
13 to which the eligible renewable generating facility will be  
14 interconnected with not less than 60 days' notice prior to the  
15 eligible renewable generating facility becoming operational. The  
16 electrical corporation shall file an advice letter with the  
17 commission, that complies with this section, not later than 30 days  
18 after receipt of the notice, proposing a rate tariff for a benefiting  
19 account. The commission, within 30 days of the date of filing,  
20 shall approve the proposed tariff, or specify conforming changes  
21 to be made by the electrical corporation to be filed in a new advice  
22 letter.

23 (g) The local government may terminate its election pursuant  
24 to subdivision (b), upon providing the electrical corporation with  
25 a minimum of 60 days' notice. Should the local government sell  
26 its interest in the eligible renewable generating facility, or sell the  
27 electricity generated by the eligible renewable generating facility,  
28 in a manner other than required by this section, upon the date of  
29 either event, and the earliest date if both events occur, no further  
30 bill credit pursuant to paragraph (3) of subdivision (b) may be  
31 earned. Only credit earned prior to that date shall be made to a  
32 benefiting account.

33 (h) An electrical corporation is not obligated to provide a bill  
34 credit to a benefiting account that is not designated by a local  
35 government prior to the point in time that the combined statewide  
36 cumulative rated generating capacity of all eligible renewable  
37 generating facilities within the service territories of the state's  
38 three largest electrical corporations reaches 250 megawatts. Only  
39 those eligible renewable generating facilities that are providing  
40 bill credits to benefiting accounts pursuant to this section shall

1 count toward reaching this 250-megawatt limitation. Each electrical  
2 corporation shall only be required to offer service or contracts  
3 under this section until that electrical corporation reaches its  
4 proportionate share of the 250-megawatt limitation based on the  
5 ratio of its peak demand to the total statewide peak demand of all  
6 electrical corporations.

7 ~~(i) A local government electing to take service pursuant to~~  
8 ~~subdivision (b) is eligible to receive ratepayer funded incentives~~  
9 ~~pursuant to the California Solar Initiative for facilities that are~~  
10 ~~sized to meet the on-site load and the load of the designated~~  
11 ~~benefiting account. For purposes of this subdivision, “California~~  
12 ~~Solar Initiative” means the program providing ratepayer funded~~  
13 ~~incentives for eligible solar energy systems adopted by the Public~~  
14 ~~Utilities Commission in Decision 06-01-024, as modified by~~  
15 ~~Chapter 8.8 (commencing with Section 25780) of Division 15 of~~  
16 ~~the Public Resources Code and Article 1 (commencing with Section~~  
17 ~~2851) of Chapter 9.~~

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